

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 2815 – HB 3242

March 22, 2010

SUMMARY OF BILL: Authorizes HOPE scholarship students to retain their HOPE Scholarships when they transfer from the eligible two- or four-year institution where they are receiving the HOPE Scholarship, to a Tennessee Technology Center (TTC), and subsequently returns to an eligible two- or four-year institution, as long as continuous enrollment is maintained.

ESTIMATED FISCAL IMPACT:

On February 5, 2010, a fiscal note for this bill was issued indicating the following estimated fiscal impact:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for student scholarships and grants by \$98,000 in FY10-11 and by \$150,000 in FY11-12.

Based on new information received from the Tennessee Student Assistance Corporation, the fiscal impact for this bill has been corrected to indicate the following estimated fiscal impact:

(CORRECTED)

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for student scholarships and grants by \$62,000 in FY10-11 and by \$96,000 in FY11-12.

Assumptions:

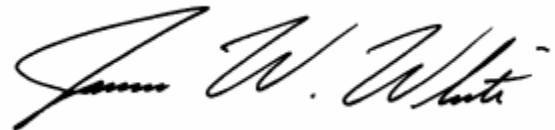
- According to the Tennessee Student Assistance Corporation (TSAC), there were 197 students who transferred from two- or four-year institutions to enroll in a TTC between the fall semester of 2004 and the fall semester of 2009. The average is estimated to be 40 students per year ($197 / 5 \text{ years} = 39.4$).
- Based on information provided by TSAC, approximately 28 students will transfer from two- or four-year institutions in good academic standing to enroll in a TTC.
- Based on information provided by TSAC, it is estimated that 75 percent of the 28 students (or 21) will complete a TTC program in good standing and will subsequently enroll in a two- or four-year institution and will be eligible to resume their Hope

Scholarships. Approximately 11 are estimated to attend two-year institutions; and approximately 10 are estimated to attend four-year institutions.

- The increase to expenditures from lottery proceeds for FY10-11 is estimated to be \$62,000 $[(11 \times \$2,000) + (10 \times \$4,000) = \$62,000]$.
- Based on information provided by TSAC, 46 percent of students attending two-year institutions retain their lottery scholarships; 56 percent of students attending four-year institutions retain their scholarships. Therefore, five students attending two-year institutions will retain scholarships in the second year; and six students from four-year institutions will retain scholarships in the second year.
- The increase to expenditures from lottery proceeds for FY11-12 is estimated to be \$96,000 $\{[(11 + 5) \times \$2,000] + [(10 + 6) \times \$4,000] = \$96,000\}$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc